



MEDIA RELEASE

December 13, 2022

CariCRIS reaffirms its overall ratings for the TT \$400 million bond issue of Endeavour Holdings Limited

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the assigned credit ratings of *CariA* (Local and Foreign Currency Ratings) on the regional rating scale, and *ttA* (Local Currency Rating) on the Trinidad and Tobago (T&T) national scale to Endeavour Holdings Limited (EHL or the Company) TT \$400 million bond issue. These ratings indicate that the level of creditworthiness of this debt obligation, adjudged in relation to other obligations in the Caribbean and within T&T is **good**.

CariCRIS has also maintained a **stable** outlook on the ratings. The stable outlook is based on our expectation that over the next 12 to 15 months, EHL will continue to display good financial performance supported by the continued uptick in economic activity in T&T following the removal of coronavirus (COVID-19) restrictions and its recent acquisition. Moreover, once the upcoming balloon payment on Tranche A of the bond due in March 2023 is refinanced, we expect EHL to continue to fully meet its debt obligations over the next 12 to 15 months underpinned by stable cash flows and high cash balances.

The ratings are supported by EHL's good asset quality and diversified real estate portfolio which continue to underpin its strong competitive position in the T&T real estate market. Further supporting the ratings are the Company's improved occupancy levels, good tenant retention rate and financial performance supported by good operating profit margins. 'Loss of rent' insurance also reduces the risk of lowered income from property damage. These rating strengths are tempered by (i) the challenging T&T economic environment which, though improving, could constrain the growth of EHL's profitability and overall financial performance, and (ii) refinancing risk, given the bond's structure.

Rating Sensitivity Factors:

Factors that could, individually or collectively, lead to an improvement in the ratings and/or Outlook include:

- An improvement in the ratings of the Government of Trinidad and Tobago.
- Occupancy levels rising to above 95%.

Factors that could, individually or collectively, lead to a lowering of the ratings and/or Outlook include:

- A 10% decline in annual rental income.
- Occupancy levels declining to below 75%.
- The inability to refinance the bond/balloon payment by March 2023 and breach of any of its financial covenants thereafter for 2 consecutive years from FY2023/24
- A fall in the effective DSCR to below 1.5 times for 2 consecutive years

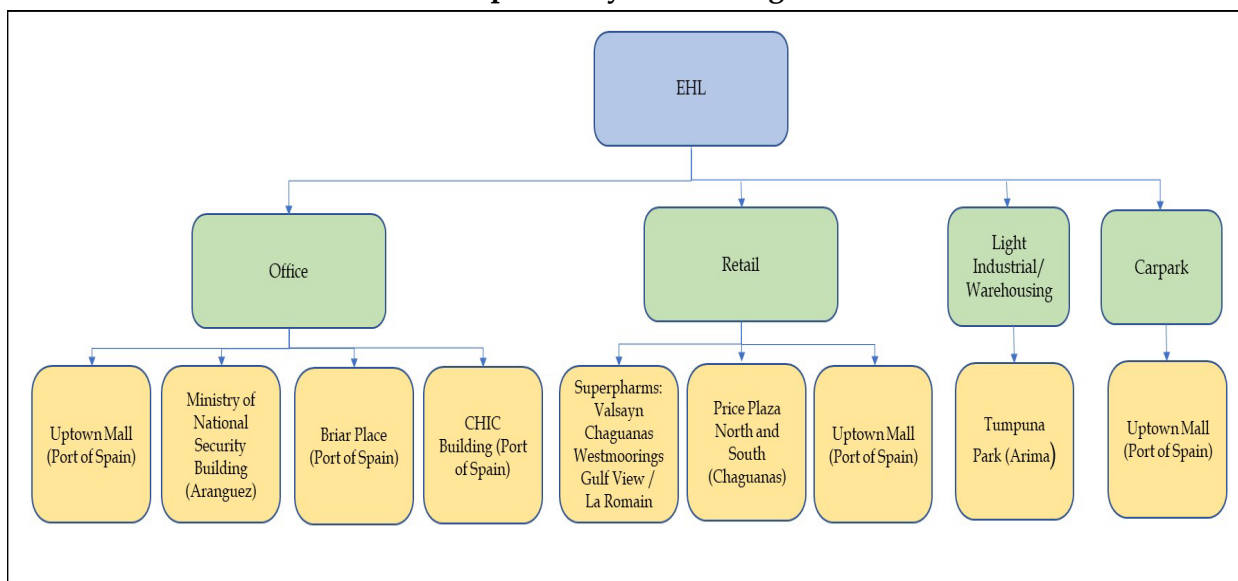
About the company:

Endeavour Holdings Limited (EHL or the Company) is a private commercial real estate holding company incorporated in Trinidad and Tobago (T&T) in 2001. Its majority shareholder, Endeavour ABRA Holdings Limited owns 97.31% of its outstanding shares. On December 12, 2019, EHL was listed on the Small and Medium Enterprises (SME) stock market of the Trinidad and Tobago Stock Exchange (TTSE). On July 8, 2022, EHL acquired 100% of the outstanding shares of Massy Properties (Trinidad) Limited (MPTL) at a cost of TT \$45 million. MPTL is a property holding company that was incorporated in T&T under its parent, Massy Holdings Limited. As a property holding company, MPTL focuses primarily on the management of its two prime commercial spaces in Port of Spain¹.

EHL now owns 11 commercial properties and caters to the office, retail, light industrial/warehousing rental and carpark rental segments. Chart A below shows the locations of the various properties and their specific market segment.

¹ These properties are Uptown Mall and CHIC Building, located in Port of Spain.

Chart A –EHL’s Properties by Market Segment and Location



Source: EHL

For more information on EHL’s ratings, please visit www.caricris.com or contact:

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